



Substitute Senate Bill No. 437

Public Act No. 06-47

***AN ACT INCREASING THE CONNECTICUT HOUSING FINANCE
AUTHORITY'S UNINSURED PERMANENT MORTGAGE CAP.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 8-251 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) In order to provide additional construction and permanent financing for housing in this state, the authority is authorized to make commitments to purchase, and to purchase, service and sell mortgages and to make loans directly upon the security of any mortgage, and to make commitments to purchase, and to purchase and sell participation sale certificates representing interests in mortgages, provided the underlying mortgage loans shall have been made and shall be used solely to finance or refinance the construction, rehabilitation, purchase or leasing of housing in this state, and provided further the aggregate amount of permanent mortgages, mortgage-backed securities and participation sale certificates representing interests in mortgages purchased, and permanent loans made by the authority which are not directly or indirectly insured or guaranteed by any department, agency, instrumentality of the United States of America, or public corporation chartered by the Congress of the United States, including but not limited to the Federal Home Loan Mortgage Corporation, or

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which are not insured or guaranteed by any department, agency or instrumentality of the state, any insurance company licensed to do business in the state and authorized to underwrite mortgage insurance or by the authority shall not at any one time exceed [seven hundred fifty million] one billion dollars.

(b) For the purpose of encouraging balanced community development in urban areas and increasing the supply and availability of mortgage financing for the residents of urban areas, the authority is authorized to make commitments to purchase, and to purchase, urban area mortgages or to make loans directly upon the security of urban area mortgages or to make loans for, or to purchase, urban area mortgages under terms and conditions requiring the proceeds thereof to be used for the making of additional urban area mortgages, subject to the provisions of section 8-250.

Approved May 8, 2006